SAGUS SPEAKS

This Newsletter covers key Regulatory & Policy Updates, Government Notifications and Judicial Pronouncements.

REGULATORY AND POLICY UPDATES

RBI issues Reserve Bank of India (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025[1].

The Reserve Bank of India ("RBI") by notification dated 14.08.2025 issued the RBI (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025 ("KYC Amendment Directions") amending the RBI KYC Directions, 2016 ("KYC Master Directions"). Key highlights of the KYC Amendment Directions include as follows:

i. A direct link to the Frequently Asked Questions (FAQs) on KYC has been added in the KYC Master Directions.

ii. RBI has clarified that the Customer Acceptance Policy to be framed by the regulated entities under the KYC Master Directions should not be applied in a manner that denies banking or financial services to the general public, especially to financially or socially disadvantaged persons, including Persons with Disabilities (PwDs). Further, no KYC application (whether for onboarding or periodic updation) shall be rejected without application of

[1] RBI (Know Your Customer (KYC)) (2nd Amendment) Directions, 2025.

mind. The officer concerned shall duly record the reason(s) for rejection.

iii. KYC requirements stand extended to occasional transactions of INR 50,000 or above, whether carried out as one transaction or multiple interconnected transactions and to international money transfers.

iv. Aadhaar Face Authentication has been expressly recognised as a valid mode of Biometric-based e-KYC authentication.

v. Liveness checks during Video based Customer Identification Process (V-CIP) must not result in exclusion of persons with special needs.

SEBI issues technical clarifications on Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities[2].

The Securities and Exchange Board of India ("SEBI"), by way of Circular No. SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2025/119 dated 28.08.2025 ("Circular") issued technical clarifications to the Cybersecurity and Cyber Resilience Framework ("CSCRF") for SEBI Regulated Entities ("REs"). Key clarifications are as follows:

i. REs are required to implement and comply with various standards and corresponding guidelines mentioned in CSCRF. For ease of compliance and clarity of implementation, SEBI has introduced two fundamental principles to address compliance challenges faced by entities regulated by multiple authorities (such as banks regulated by both SEBI and RBI):

   a. Principle of Exclusivity: The CSCRF will apply only to those systems/applications/ infrastructure/processes which are exclusively used for SEBI-regulated activities. Shared infrastructure will fall under SEBI scope only if not already covered by another regulator. For example, data classification, definition of critical systems, VAPT scope, asset inventory updating, patch management timelines, cloud compliance, supply chain risk, and log management are covered distinctly.

   b. Principle of Equivalence: Where another regulator's frameworks/guidelines contains equivalent cybersecurity controls, compliance with those suffices for SEBI's requirements. For example, Cyber Capability Index, IT Committee constitution, patch management policy, cybersecurity policy, ITSM tool requirements, red teaming, and SOC efficacy.

ii. The CSCRF extends to any system on the same network segment as existing critical systems, expanding the traditional narrow scope.

iii. While zero-trust is emphasized, SEBI now allows a broader set of methodologies (including network segmentation, no single point of failure, and high availability), subject to IT Committee approval.

iv. Security guidelines for mobile apps are now recommendatory (and not mandatory) in nature.

v. Instead of compulsory public/press releases per impact tier, REs should respond as per their approved Cyber Crisis Management Plan (CCMP), giving more discretion to REs.

vi. It is recommended (but not mandated) to use a range of security solutions like threat simulation, vulnerability management and decoys system, to assess and enhance their cybersecurity posture.

vii. The cyber-supply chain risk assessment process may be done by REs in consultation with their IT Committee.

viii. Only REs designated as Critical Information Infrastructure ("CII") by NCIIPC need to comply with national guidelines on CII, narrowing the prior scope.

ix. Compliance with CERT-In's Cyber Security Audit Policy Guidelines is now formally required for all cybersecurity audits.

GOVERNMENT NOTIFICATIONS

Parliament has passed the Promotion and Regulation of Online Gaming Bill, 2025[3].

Parliament has passed the Promotion and Regulation of Online Gaming Bill, 2025 ("Online Gaming Bill") on 21.08.2025. The Online Gaming Bill shall be applicable on online money gaming service offered, whether inside India

[2] Technical clarifications to the Cybersecurity and Cyber Resilience Framework.

[3] Promotion and Regulation of Online Gaming Bill, 2025.

or outside India. The Online Gaming Bill prohibits online money games, and promotes and regulates certain other online games. Key highlights of the Online Gaming Bill are as follows:

i. Recognition and promotion of e-sport: The Online Gaming Bill defines "e-sport" primarily as an online game played as part of multi-sports events in multiplayer formats, recognised and registered under the National Sports Governance Act, 2025, whose outcome is determined solely by factors such as physical dexterity, mental agility, strategic thinking or other similar skills. These games may include payment solely for the purpose of entering the competition and performance-based prize money, and shall not involve bets, wagers, stakes, or any winnings therefrom, by participants or non-participants. The Online Gaming Bill recognizes e-sports as a legitimate form of competitive sport in India and provides for steps to be taken by the Central Government to form guidelines for organization and conduct of e-sports events.

ii. Recognition and development of online social games: The Online Gaming Bill defines "online social games" as online games where there is no staking of money or other stakes or any monetary gains by way of winning and is offered solely for entertainment or skill-development purposes and is not an online money game or e-sports. The Online Gaming Bill provides for the Central Government to take steps to facilitate the registration of such games and creation of platforms to support their development.

iii. Prohibition of online money games: The Online Gaming Bill prohibits any person from offering, aiding, abetting, inducing or otherwise indulging or engaging in offering, advertising and transferring of any funds towards online money games and online money gaming services.

iv. The Online Gaming Bill provides for the constitution of an authority to determine whether a particular online game is an online money game or not. The authority will also recognise, categorise and register online games in addition to this the authority will also be responsible for handling the complaints related to online games being prejudicial to the user interest.

v. The Online Gaming Bill also provides for the offences and penalties applicable in contravention of the Online Gaming Bill, whereby, *inter alia*, any person who offers online money gaming service in contravention of the Online Gaming Bill shall be punished with imprisonment for a term which may extend to three years or with fine which may extend to one crore rupees or both. The Online Gaming Bill specifies that offences of offering online gaming services and facilitating financial transactions for such games shall be cognizable and non-bailable.

MCA notifies the Companies (Incorporation) Second Amendment Rules, 2025[4].

The Ministry of Corporate Affairs ("MCA") by way of Notification No. G.S.R. 579(E) dated 26.08.2025 has notified the Companies (Incorporation) Second Amendment Rules, 2025 ("Amendment Rules") to amend the existing Companies (Incorporation) Rules, 2014 ("Principal Rules"). The Amendment Rules will come into effect from 15.09.2025.

A key change introduced through the Amendment Rules is the substitution of Form No. RD-1, which is the application form used for filings with the Central Government (Regional Director) in cases such as:

i. Rectification of name
ii. Change in financial year
iii. Conversion of a public company into a private company
iv. Notice of approval of a scheme filed in Form CAA-1
v. Other specified purposes under the Companies Act, 2013

The revised Form No. RD-1 now requires applicants to specify their category (i.e., company, limited liability partnership, or others). This requirement was not provided for in the earlier version of Form No. RD-1.

MoP revises the threshold for capital expenditure of hydro generating stations requiring the concurrence of CEA[5].

The Ministry of Power ("MoP"), through its notification dated 01.08.2025 (published on the website on 18.08.2025), has stipulated that schemes for setting up hydro generating stations involving an estimated capital expenditure exceeding INR 3,000 crores will now require mandatory concurrence of the Central Electricity Authority ("CEA").

[4] Companies (Incorporation) Second Amendment Rules, 2025.

[5] Revision of Limit of Capital Expenditure of Hydro Generating Stations for concurrence by CEA.

Further, developers are to ensure strict adherence to the provisions of the National Dam Safety Act, 2021 while implementing hydro projects.

Further, off-stream closed-loop pumped storage projects are exempted from seeking CEA concurrence irrespective of their capital expenditure and developers of such projects may seek technical guidance from CEA.

Department for Promotion of Industry and Internal Trade published the Cross Recessed Screws (Quality Control) Order, 2025[6].

The Department for Promotion of Industry and Internal Trade ("DPIIT"), on 27.08.2025, published the Cross Recessed Screws (Quality Control) Order, 2025 ("Order") in exercise of the powers conferred by section 16 of the Bureau of Indian Standards Act, 2016, replacing the earlier order from 2024. The Order will come into effect from date of its publication in the official gazette.

The Order requires certain goods or articles to compulsorily bear the Standard Mark, which must be obtained under a license from the Bureau in accordance with Scheme-I of Schedule-II of the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. However, this requirement does not apply to goods or articles manufactured domestically for export, goods or articles imported as part of finished products, sub-assemblies or components, or goods or articles imported by domestic manufacturers for use in producing export products.

Furthermore, the Order does not apply to goods manufactured domestically by enterprises registered under the Udyam portal of the Ministry of MSME, provided their investment in plant and machinery or equipment does not exceed INR 25 lakh and their turnover in the previous financial year, certified by a chartered accountant, does not exceed INR 2 crore. It also exempts up to 200 kilograms of goods imported annually for research and development by Original Equipment Manufacturers ("OEMs") of crossed recessed screws, subject to the conditions that such goods are not sold commercially, and can be disposed of as scrap, but the OEMs shall maintain year-wise records of these imports for submission to government authorities if required.

GERC notifies the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2025[7].

The Gujarat Electricity Regulatory Commission ("GERC") by its Notification No. 07 of 2025 dated 19.08.2025 issued the GERC (Procurement of Energy from Renewable Sources) Regulations, 2025 ("RPPO Regulations, 2025") with effect from the date of publication in the Official Gazette, i.e., 12.08.2025. The key highlights of the RPPO Regulations, 2025 are as follows:

i. Applicability: The Renewable Power Purchase Obligation ("RPPO") is applicable to all obligated entities within Gujarat, including distribution licensees, open access consumers, captive users with installed capacity exceeding 100 kW and any person, consuming electricity procured from conventional sources. Designated consumers, as defined under the Energy Conservation Act, 2001, shall be required to comply with RPPO irrespective of capacity of captive generating plant.

ii. Quantum of RPPO: Obligated Entities must purchase or generate and consume a minimum specified quantum of electricity from renewable energy ("RE") sources and meet an additional energy storage obligation, as mentioned under Table 1 & 2 of the RPPO Regulations, 2025. The RPPO targets are divided into components including (i) Wind Renewable Energy; (ii) Hydro Renewable Energy; (iii) Distributed Renewable Energy (projects < 10 MW, including rooftop solar) and (iv) Other Renewable Energy (e.g., biomass, bagasse co-generation, MSW-based projects).

iii. The specified RPPO shall be met either directly or through RE Certificate ("REC") in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

iv. Energy Storage Obligation: Obligated entities must comply with storage targets which shall be calculated in energy terms as a percentage of total consumption of electricity and shall be treated as fulfilled only when at least 85% of the total energy stored in the Energy Storage System, on an annual basis, is procured from RE sources.

v. Role of State Agency: The Gujarat Energy Development Agency is designated as the State Agency to monitor RPPO compliance, maintain a dedicated RPPO web portal, and submit quarterly and annual compliance reports to GERC.

[6] Cross Recessed Screws (Quality Control) Order, 2025.

[7] GERC (Procurement of Energy from Renewable Sources) Regulations, 2025.

vi. Registration & Reporting: Obligated entities must register on the RPPO web portal and submit quarterly and annual compliance reports. Distribution licensees must also disclose estimated RE procurement in their tariff filings.

vii. Consequences of Default: Non-compliance with RPPO attracts penalties under Section 26(3) of the Energy Conservation Act, 2001, computed at twice the TOE value (currently ₹3.72 per kWh based on Ministry of Power notification dated 26.12.2023). Penalty amounts will be deposited into a dedicated fund for procurement of RECs or development of transmission infrastructure.

DERC issued draft Notification amending the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017[8].

The Delhi Electricity Regulatory Commission ("DERC") issued draft notification on 27.08.2025, amending the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 ("Tariff Regulations 2017"), which amendment will be applicable from the date of publication in the official gazette ("Amended Regulations"). The Amended Regulations substitutes Regulation 134 and deletes Regulations 135 and 136 of the Tariff Regulations 2017. The salient features of Regulation 134 of the Amended Regulations are as follows:

i. Regulation 134 now provides for Fuel and Power Purchase Adjustment Surcharge ("FPPAS"), which means the change in cost of power supplied to consumers due to change in fuel cost, power purchase cost and transmission charges, with reference to cost of supply approved by the DERC.

ii. FPPAS shall be calculated according to the prescribed formula and billed automatically to consumers on a monthly basis, without seeking approval of the DERC, subject to true up on an annual basis.

iii. FPPAS shall be computed and charged to consumers in the $(n+2)^{th}$ month on the basis of actual variation in cost of fuel and power purchase and Interstate/ Intrastate Transmission charges for power procured during the n^{th} month.

iv. In case of positive FPPAS, if the cost of fuel and power purchase is not computed and charged in full within the specified timeline, except on account of force majeure conditions, the right to recover the costs in months subsequent to $(n+2)^{th}$ month will be forfeited and in such cases, right to recover the costs at the time of true up shall also be forfeited. Further, in case of negative FPPAS, if recovery is not made within the specified timeline, such FPPAS would be recoverable from the distribution licensee at the time of true up with carrying cost at 1.20 times of the carrying cost rate under the Regulations.

v. The percentage increase on account of FPPAS shall be applied as a surcharge on the total energy charges and fixed charges billed to a consumer of the distribution licensee and shall be capped at 10% or such percentage as may be decided by the DERC from time to time.

vi. Any under-recovery in the fuel and power purchase adjustment surcharge on account of such ceiling shall be carried forward and shall be adjusted in subsequent months for that financial year, subject to the ceiling.

vii. Any revenue recovered on account of pass through of FPPAS by the distribution licensee shall be trued up later for the year under consideration. In case of excess revenue recovered against the FPPAS, it shall be recovered from the distribution licensee at the time of true up along with carrying cost at 1.20 times of the carrying cost under the Regulations and in case of under recovery of revenue against FPPAS, it shall be allowed during true up with carrying cost at the rate provided under the Regulations.

viii. The distribution licensee shall submit such details and in the format as may be specified by the DERC, of the variation between expense incurred and FPPAS recovered during true up. The Distribution Licensee shall also make monthly submissions to DERC of the detailed FPPAS computations as well as the Auditor's certificate on quarterly basis, with monthly breakup of power purchase cost indicating plant wise details of fixed charges, variable charges, other charges, units billed by each plant/source and actual transmission charges for $(n-2)^{th}$ month.

ix. The distribution licensee is required to publish all details, including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS on its website, and archive the same through a dedicated web address.

[8] Master PPAC Draft regulations 2025.

x. For smooth implementation of the FPPAS mechanism, distribution licensee shall ensure its billing system is updated to take FPPAS recovery into account and unified billing system shall be implemented to ensure uniform billing, irrespective of the billing and metering vendor through interoperability or use of open-source software, as available.

xi. The note to Regulation 134 provides that power purchase cost shall exclude charges on account of deviation settlement mechanism. Further, other charges, which include ancillary services and security constrained economic despatch, are not to be included in fuel and power purchase adjustment surcharge and adjusted through the true up as approved by the DERC.

DERC issued draft Notification amending the DERC (Business Plan) Regulations, 2023[9].

The Delhi Electricity Regulatory Commission ("DERC") issued draft notification on 27.08.2025 to amend the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023 ("BPR Regulations"), which amendment will be applicable from the date of publication in the official gazette ("Draft BPR Amendment").

The Draft BPR Amendment provides that Regulation 30 of the BPR Regulations, which provides for the mechanism for recovery of power purchase cost adjustment charges by a distribution licensee from FY 2023-24 to FY 2025-26, shall be deleted.

JUDICIAL PRONOUNCEMENTS

Supreme Court held that Press Releases or Administrative Clarifications do not constitute 'Change in Law' under Power Purchase Agreements.

The Supreme Court through its judgement dated 19.08.2025 in the matter of *Nabha Power Limited v Punjab State Power Corporation Limited and Others*,[10] held that government communications such as press releases or administrative clarifications cannot be treated as a *"Change in Law"* under the framework of Power Purchase Agreements ("PPAs").

In the present matter the power generators claimed that a 2011 decision by the Directorate General of Foreign Trade ("DGFT") to withdraw certain benefits constituted a 'Change in Law' under their PPAs with the Punjab State Power Corporation Limited, which increased their project costs hence they were entitled to compensation.

The court clarified that only formal legal instruments such as statutes, rules, or notifications published in the Official Gazette can trigger a 'Change in Law' under the contractual framework of PPAs. DGFT's press release were merely clarificatory, explaining the correct interpretation of the existing law, and did not introduce any new legislation.

Supreme Court held that pleadings of the party must be examined before considering whether party is entitled to lead additional evidence under Order XLI Rule 27 (1) CPC.

The Supreme Court through its judgement dated 22.08.2025 in the matter of *Iqbal Ahmed (Dead) by LRS. & Another v Abdul Shukoor*[11] held that before undertaking the exercise of considering whether a party is entitled to lead additional evidence under Order XLI Rule 27(1) of the Code, the Appellate Court must examine the pleadings of such party to gather if the case sought to be set up is pleaded to support the additional evidence that is proposed to be brought on record.

In the present matter the appellant made an averment that they have sold their valuable immovable properties to purchase the suit property. However, respondent adduced additional evidence, through an application preferred under Order XLI Rule 27(1) of Civil Procedure Code, in contradiction of such averment, leading to an adverse decision by High Court without examining whether the additional evidence sought to be produced is supported by the respondent's pleadings in the written statement.

The Supreme Court, while setting aside the judgement of High Court observed that the judgement was unsustainable in law and requires reconsideration since the application for leading additional evidence has been considered by the High Court without examining the aspect as to whether the additional evidence proposed to be led was in consonance with the pleadings and whether such case had been set up by the defendant. Therefore, the matter was sent back to the High Court for re-consideration.

Supreme Court held that an arbitration agreement even though in writing need not be signed by the parties, the conduct and acceptance of terms thereof can bind them to an arbitration agreement.

The Supreme Court through its judgement dated 25.08.2025 in the matter of *Glencore International AG v M/s Shree Ganesh Metals and Another*[12] observed that even if a contract is not signed by both parties or one of the parties,

[9] Draft Amendment to BPR Regulations 2023.
[10] Civil Appeal No. 8694 of 2017.
[11] Civil Appeal No. 10458 of 2010.
[12] Civil Appeal No. 11067 of 2025.

their conduct and acceptance of terms thereof can bind them to arbitration.

In the present matter one of the parties to the arbitration agreement had consented to the contractual terms *via* email, thereby providing a deemed acceptance. The court reiterated that an arbitration agreement even though in writing need not be signed by the parties if the record of agreement is provided by exchange of letters, telex, telegrams or other means of telecommunication.

Supreme Court held that the jurisdiction of Regulatory Bodies does not extend to recasting the contractual framework between parties in a manner inconsistent with the agreement

The Supreme Court through its judgement dated 25.08.2025 in the matter of *Chamundeshwari Electricity Supply Company Limited (CESC) v. Saisudhir Energy (Chitradurga) Private Limited* [13] observed that the jurisdiction of regulatory bodies does not extend to recasting the contractual framework between parties in a manner inconsistent with the agreement.

In the present matter the distribution company encashed the performance bank guarantee ("PBG") furnished by the developer as there was a delay in commissioning of the project. The Karnataka State Electricity Regulatory Commission and the Appellate Tribunal for Electricity directed the distribution company to refund the amount realised from the encashment of the guarantee, to extend the timelines for the fulfilment of contractual obligations, and to renegotiate the tariff under the PPA which was inconsistent to the terms and the procedure set out in the PPA and Supplementary PPA.

The court observed that the jurisdiction of the regulatory bodies is to ensure compliance with law and to adjudicate disputes within the four corners of the contract. It does not extend to recasting the contractual framework by directing restitution of amount lawfully realised under the PPA, or by mandating alterations to tariff and timelines in a manner inconsistent with the agreement.

Supreme Court held that suing a proprietorship concern in its own name or through its proprietor representing the concerned is one and the same thing.

The Supreme Court through its judgement dated 26.08.2025 in the matter of *Dogiparthi Venkata Satish and Another v Pilla Durga Prasad and Others*[14] observed that a proprietorship concern is merely a trade name given by an individual for carrying on business and there is no distinction between suing a proprietorship in its trade name or in the proprietor's name, since the firm has no independent legal status and is inseparable from its owner.

In the present matter, one of the parties sought for rejection of suit under Order XXX Rule 10 of the Civil Procedure Code ("CPC") on the ground that since the proprietorship concern has been deleted from the array of parties, hence no cause of action lies against the sole proprietor of the proprietorship concern.

The Supreme Court observed that a proprietorship concern is not a juristic person and Order XXX Rule 10 of the CPC only indicates that proprietorship concern may be made a party, it does not necessarily mean that the proprietor itself if made a party would not be enough, inasmuch as, the proprietorship concern is to be defended by the proprietor only and not by anybody else. In addition to this the court also observed that, suing a proprietorship concern in its own name or through its proprietor representing the concerned is one and the same thing.

Delhi High Court held that Section 11 Petition under the A&C Act not maintainable if similar prayer under Section 8 of the A&C Act has been dismissed and same would amount to *res judicata*.

The Hon'ble High Court of Delhi through its judgment dated 19.08.2025 in *Surender Bajaj vs. Dinesh Chand Gupta*[15] held that a petition under Section 11 of the Arbitration and Conciliation Act, 1996 ("A&C Act") is not maintainable where an identical prayer seeking reference to arbitration has already been rejected under Section 8 of the A&C Act.

In the present matter, Petitioner had initially filed an application under Section 8 of the A&C Act before the Trial Court seeking reference of the dispute to arbitration. The application was dismissed and thereafter, the Petitioner preferred an appeal, which also came to be dismissed. Despite the rejection of the prayer under Section 8, the Petitioner filed a fresh petition under Section 11 of the A&C Act seeking appointment of an arbitrator.

The Hon'ble High Court observed that the relief sought in the Section 11 petition was substantially similar to that prayed for in the Section 8 proceedings. The Court held that the maintainability of the Section 11 petition is barred by the principles of res judicata, as the issue had already been adjudicated upon by the competent court and the same relief could not be sought again merely by invoking a different provision of the A&C Act.

[13] Civil Appeal No. 6888 of 2018.
[14] Civil Appeal No. 011104 of 2025.
[15] ARB.P. 1076/2025

High Court of Bombay held that there is no jurisdiction to condone delay when review is not maintainable.

The High Court of Bombay through its judgment dated 18.08.2025 in the matter of *JSW Steel Coated Products Ltd. & Anr. v. Amarlal*[16] held that unless the main proceedings are maintainable in law, there can be no question of condoning delay in filing them. Further, the Court quashed the order of the Labour Court which had condoned a delay of 333 days in filing a review application without first examining its maintainability, observing that there is no express power conferred upon the Labour Court under the Industrial Disputes Act, 1947 to review its own award.

In the present matter, the Labour Court had earlier decided Reference (IDA) Case No. 02/2017 on merits, holding that the Amarlal was not entitled to reinstatement and thereafter Amarlal filed Review Application No. 02/2023 accompanied by an application for condonation of delay of 333 days. Accordingly, JSW Steel Coated Products Ltd ("JSW") objected, contending that the Application for condonation could not be entertained as the review itself was not maintainable for want of statutory power. However, the Labour Court condoned the delay, taking the view that maintainability would be examined at a later stage, leading to the present Writ Petition.

Supreme Court while acknowledging that ordinarily merits are not examined while considering delay condonation, the Court emphasized that it is essential to ascertain whether the proceedings sought to be initiated are maintainable in law. Moreover, the Court reiterated that if the main application is not maintainable, the question of condonation of delay does not arise. Therefore, observing that the power of review is neither express nor implied under the Industrial Disputes Act, 1947 and cannot be inferred, the Court held that the Labour Court erred in condoning the delay and consequently set aside its order dated 07.12.2024, rejecting the Review Application.

The High Court of Karnataka rules on who may seek amendment of pleadings in joint and adopted written statements.

The High Court of Karnataka through its judgment dated 20.08.2025 in *Seeta Nayak & Ors. v. Laxmi Kom Nagesh Naik*[17] held that only the party who originally files a pleading can seek amendment of that pleading and a party which has adopted the pleading has no right to seek its amendment.

In the present matter, a suit for partition and separate possession was filed in which defendant No. 2 filed written statement, which was adopted by other defendants. Defendant No. 4 filed an application for amendment of the adopted written statement under Order VI Rule 17 of the Code of Civil Procedure which was rejected by the Trial Court.

The High Court observed that a party having adopted a pleading which was not originally filed by it, has no right to seek its amendment independently and it is only for the person who has filed any particular pleading who can seek for amendment of that pleading. If there is a joint plaint or written statement filed, an application to amend the joint plaint or written statement would have to be filed by the litigants, who have filed the said pleadings jointly.

High Court of Allahabad reiterates mandatory nature of post-award interest under Section 31(7)(b) of the A&C Act.

The High Court of Allahabad in the matter titled as *State of U.P. and Others v. M/s Satish Chandra Shiv Hare-Brothers*[18] through its judgment dated 25.08.2025, held that the executing court under Section 36 of the A&C Act is empowered to enforce the award with full effect, including post-award interest under Section 31(7)(b) of the A&C Act. The High Court observed that the Tribunal's determination of interest up to 2007 did not foreclose the statutory entitlement for the subsequent period and upheld the executing court's order granting interest at 18% per annum for 17.12.2010 to 17.12.2022.

In the present case, the Respondent was an approved contractor who had entered into a contract with the Petitioners for the construction of a gymnastic hall at Agra. Disputes arose between the parties, and the matter was referred to arbitration wherein the Arbitral Tribunal passed an award in favour of the Claimant awarding INR 40,61,264 along with costs and simple interest at the rate of 18% per annum from 31.03.2000 to 26.08.2007. The Petitioners' application under Section 34 of the Act was rejected, and further proceedings under Section 37 as well as the Special Leave Petition before the Apex Court were dismissed. Meanwhile, in execution proceedings, the Commercial Court directed the Petitioners to pay post-award interest from the date of award till actual payment at the rate of 18%.

The High Court, while affirming the Commercial Court's order, reiterated that post-award interest under Section 31(7)(b) of the A&C Act is mandatory in nature, and the only discretion with the arbitral tribunal is with respect to fixing the rate of such interest. Where the tribunal does not determine any rate, the statutory rate of 18% per annum automatically applies. Consequently, the High Court found

[16] WP No.1017of 2025

[17] WP No. 102555 of 2025

[18] 2025 AHC 146428

no illegality or perversity in the orders directing recovery of post-award interest and dismissed the petition.

ABOUT SAGUS LEGAL

Sagus Legal is a full-service law firm that provides comprehensive legal advisory and advocacy services across multiple practice areas. We are skilled in assisting businesses spanning from start-ups to large business conglomerates including Navratna PSUs, in successfully navigating the complex legal and regulatory landscape of India. Our corporate and M&A, dispute resolution, energy, infrastructure, banking & finance, and insolvency & restructuring practices are ranked by several domestic and international publications. We also have an emerging privacy and technology law practice.

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